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**STATE BOARD OF EQUALIZATION**

May 25, 1950

Dear \_\_\_\_\_,

This is in reply to your letter of May 15, 1950.

The sale of an automobile by a California dealer with delivery of the vehicle to the purchaser at Detroit, Michigan, is not subject to sales tax, but the use tax applies if the automobile is brought to and used in California. Use tax is computed at three per cent of the sales price of the vehicle. Section 6011 of the Sales and Use Tax Law states, in part, that the sales price is the total amount for which the automobile is sold less "transportation charges separately stated, if the transportation occurs after the purchase of the property is made." Inasmuch as your letter indicates that no transportation charge is made to the customer, the use tax will be based on the actual price charged, as indicated in Sales and Use Tax Ruling 75, copy enclosed.

Very truly yours,

E. H. Stetson  
Tax Counsel

ARM:mgb